

Secretary of State Colin L. Powell

**Statement for the Record**

House Budget Committee

March 7, 2002

Mr. Chairman, members of the committee, I am pleased to appear before you to testify in support of President Bush's budget request for FY 2003.

Let me say at the outset, Mr. Chairman, before I go into the specifics of the budget request, that President Bush has two overriding objectives that our foreign policy must serve before all else. These two objectives are to win the war on terrorism and to protect Americans at home and abroad. This Administration will not be deterred from accomplishing these objectives. I have no doubt that this committee and the Congress feel the same way. As you will see when I address the details of the budget request, a significant part is related to accomplishing these two objectives.

As many of you will recall, at my first budget testimony to this committee last March we talked about State Department's budget not being at historical levels, and Mr. Spratt voiced his concern about the out years. You may recall that I expressed my concern about the out years as well.

Now, we are involved in a war on terrorism and that war has made President Bush's budget decisions even more difficult. So I was pleased that the Department fared well in the President's request for FY 2003.

***The Budget Priorities for FY 2003: Department of State and Related Agencies***

The President's discretionary request for the Department of State and Related Agencies for FY 2003 International Affairs is \$8.1 billion. These dollars will allow us to:

- Continue initiatives to recruit, hire, train, and deploy the right work force. The budget request includes \$100 million for the next step in the hiring process we began last year. With these dollars, we will be able to bring on board 399 more foreign affairs professionals and be well on our way to repairing the large gap created in our personnel structure and, thus, the strain put on our people by almost a decade of too few hires, an inability to train properly, and hundreds of unfilled positions. By FY 2004, we hope to have completed our multi-year effort with respect to overseas staffing – to include establishing the training pool I described to you last year that is so important if we are to allow our people to complete the training we feel is needed for them to do their jobs. Next March, I will be back up here briefing you on the results of our domestic staffing review.
- Continue to upgrade and enhance our worldwide security readiness – even more important in light of our success in disrupting and damaging the al-Qaida terrorist network. The budget request includes \$553 million that builds on the funding provided from the Emergency Response Fund for the increased hiring of security agents and for counterterrorism programs.

- Continue to upgrade the security of our overseas facilities. The budget request includes over \$1.3 billion to improve physical security, correct serious deficiencies that still exist, and provide for security-driven construction of new facilities at high-risk posts around the world. Mr. Chairman, we are right-sizing, shaping up and bringing smarter management practices to our overseas buildings program, as I told you we would do last year. The first change we made was to put retired General Chuck Williams in charge and give him assistant secretary equivalent rank. Now, his Overseas Building Operations (OBO) has developed the Department's first long-range plan, which projects our major facility requirements over a five-year period.

The OBO is using best practices from industry, new embassy templates, and strong leadership to lower costs, increase quality, and decrease construction time.

As I told you last year, one of our goals is to reduce the average cost to build an embassy. I believe we are well on the way to doing that.

And General Williams is making all of our facilities, overseas and stateside, more secure. By the end of FY 2002, over two-thirds of our overseas posts should reach minimal security standards, meaning secure doors, windows, and perimeters.

We are also making progress in efforts to provide new facilities that are fully secure, with 13 major capital projects in design or construction, another eight expected to begin this fiscal year, and nine more in FY 2003.

- Continue our program to provide state-of-the-art information technology to our people everywhere. Because of your support in FY 2002, we are well on the way to doing this. We have an aggressive deployment schedule for our unclassified system which will provide desktop Internet access to over 30,000 State users worldwide in FY 2003 using FY 2002 funds. And we are deploying our classified connectivity program over the next two years. We have included \$177 million in the Capital Investment Fund for Information Technology (IT) requirements. Combined with \$86 million in estimated Expedited Passport Fees, a total of \$263 million will be available for our information technology and communications systems initiatives. Our goal is to put the Internet fully in the service of diplomacy.
- Continue to meet our obligations to international organizations – also important as we pursue the war on terrorism to its end. The budget request includes \$891.4 million to fund U.S. assessments to 43 international organizations, active membership of which furthers U.S. economic, political, security, social, and cultural interests.
- Continue to meet our obligations to international peacekeeping activities. The budget request includes \$726 million to pay our projected United Nations peacekeeping assessments – all the more important as we seek to avoid increasing even further our UN arrearages. And, Mr. Chairman, I ask for your help in getting the cap lifted so that we can eventually eliminate all our arrearages. These peacekeeping activities

allow us to leverage our political, military, and financial assets through the authority of the United Nations Security Council and the participation of other countries in providing funds and peacekeepers for conflicts worldwide.

- Continue and also enhance an aggressive effort to eliminate support for terrorists and thus deny them safe haven through our ongoing public diplomacy activities, our educational and cultural exchange programs, and international broadcasting. The budget request includes \$287 million for public diplomacy, including information and cultural programs carried out by overseas missions and supported by public diplomacy personnel in our regional and functional bureaus. These resources help to educate the international public on the war against terrorism and America's commitment to peace and prosperity for all nations. The budget request also includes \$247 million for educational and cultural exchange programs that build mutual understanding and develop friendly relations between America and the peoples of the world. These activities help build the trust, confidence, and international cooperation necessary to sustain and advance the full range of our interests. Such activities have gained a new sense of urgency and importance since the brutal attacks of September. We need to teach more about America to the world. We need to show people who we are and what we stand for, and these programs do just that. Moreover, the budget request includes almost \$518 million for International Broadcasting, of which \$60 million is for the war on terrorism to continue increased media broadcasts to Afghanistan and the surrounding countries and throughout the Middle East. These international broadcasts help inform local public opinion about the true nature of al-Qaida and the purposes of the war on terrorism, building support for the coalition's global campaign.

Mr. Chairman, on the subject of public diplomacy let me expand my remarks.

The terrorist attacks of September 11 underscored the urgency of implementing an effective public diplomacy campaign. Those who abet terror by spreading distortion and hate and inciting others, take full advantage of the global news cycle. We must use the same cycle. Since September 11, there have been over 2,000 media appearances by State Department officials. Our continuous presence in Arabic and regional media by officials with language and media skills, has been unprecedented. Our international information website on terror is now online in seven languages. Internet search engines show it is the hottest page on the topic. Our 25-page color publication, "The Network of Terrorism", is now available in 30 languages with many different adaptations, including a full insert in the Arabic edition of *Newsweek*. "Right content, right format, right audience, right now" describes our strategic aim in seeing that U.S. policies are explained and placed in the proper context in the minds of foreign audiences.

I also serve, ex officio, as a member of the Broadcasting Board of Governors, the agency that oversees the efforts of Voice of America and Radio Free Europe/Radio Liberty to broadcast our message into South Central Asia and the Middle East. With the support of the Congress, our broadcasting has increased dramatically since September 11. We have almost doubled the number of broadcast hours to areas that have been the breeding

grounds of terrorists. The dollars we have requested for international broadcasting will help sustain these key efforts through the next fiscal year.

### ***Top Priority***

Mr. Chairman, all of these State Department and Related Agencies programs and initiatives are critical to the conduct of America's foreign policy. Some of you know my feelings about the importance to the success of any enterprise of having the right people in the right places. If I had to put one of these priorities at the pinnacle of our efforts, it would be our hiring efforts.

We must sustain the strong recruiting program we began last year. We want to get to a point where our people can undergo training without seriously jeopardizing their missions or offices; where our men and women don't have to fill two or three positions at once; and where people have a chance to breathe occasionally.

Out on the front lines of diplomacy, we want a first-class offense for America. As a soldier, I can tell you that quality people with high morale, combined with superb training and adequate resources, are the key to a first-class offense.

So as the State Department's CEO, let me thank you again for what you have done to help us create such a first-class offense – and I want to ask you to continue your excellent support so we can finish the job of bringing the Department of State and the conduct of America's foreign policy into the 21<sup>st</sup> century.

Now, let me turn to the budget request for foreign operations.

### ***Foreign Policy: Successes, Challenges, and Opportunities***

Over the past year, Mr. Chairman, I believe the broader tapestry of our foreign policy has become clear: to encourage the spread of democracy and market economies and to bring more nations to the understanding that the power of the individual is the power that counts. And when evil appears to threaten this progress, America will confront that evil and defeat it – as we are doing in the war on terrorism.

In weaving this tapestry, we have achieved several successes in addition to the successes of the war on terrorism and the regional developments its skillful pursuit has made possible.

We have improved our relations with Russia, set a new and smoother course with China, reinvigorated our Asia and Pacific alliances, and worked successfully with our European partners to ensure continued stability in the Balkans. Moreover, we reduced the level of concern in Europe over what some there thought was a U.S. go-it-alone policy, notwithstanding some recent comments from Europe with regard to President Bush's State of the Union address.

Further, we have broadened our cooperation with Central Asia, and set a more effective policy in place for Africa based on good governance, reinvigoration of agriculture, and integration into the globalized world of trade and commerce. Plus, we are attacking HIV/AIDS in Africa and elsewhere with bilateral as well as international efforts.

Add to these successes our constructive focus on our own hemisphere, from Canada to the Caribbean, from Mexico to South America, and you have a solid record of achievement.

There are some dark clouds of course – in the Middle East, in South America, and in South Asia. But we are working these issues. There is effective policy in place and good people are pushing the policy.

All of these efforts require resources. So let me turn to the specifics of our budget request for foreign operations.

### ***The Budget Priorities for FY 2003: Foreign Operations***

The President's FY 2003 request for Foreign Operations is a little over \$16.1 billion. These dollars will support the continuing war on terrorism, the work we are doing in Colombia and the Andean region at large, our efforts to combat HIV/AIDS and other infectious diseases, essential development programs in Africa, the important work of the Peace Corps and the scaling up of that work, and our plan to clear arrearages at the Multilateral Development Banks, including the Global Environment Facility.

#### **War on Terrorism**

One message that leaps out from the events of September 11th and the days that have followed is very clear: American leadership in foreign affairs has never been more important. In that regard, to fight terrorism as well as alleviate the conditions that fuel violent extremism, we are requesting an estimated \$5 billion. In addition to the initiatives outlined previously under the budget for the State Department and Related Agencies, this funding includes:

- Foreign assistance – \$3.6 billion for economic and security assistance, military equipment, and training for front-line states and our other partners in the war on terrorism. This amount includes:
  - \$3.4 billion from Foreign Operations accounts such as the Economic Support Fund, International Military Education and Training, Foreign Military Financing, and Freedom Support Act.
  - \$88 million for programs in Russia and other states of the former Soviet Union to reduce the availability to terrorists of weapons of mass destruction. Ongoing programs engage former weapons scientists in peaceful research and

help prevent the spread of the materials expertise required to build such weapons.

- \$69 million for counterterrorism engagement programs, training, and equipment to help other countries fight global terror, thereby strengthening our own national security.
- \$4 million for the Treasury Department's Office of Technical Assistance to provide training and other necessary expertise to foreign finance offices to halt terrorist financing.

And Mr. Chairman, in the FY 2003 budget request there is approximately \$140 million available for Afghanistan, including repatriation of refugees, food aid, demining, and transition assistance. I know that President Bush, the Congress, and the American people recognize that re-building that war-torn country will require additional resources and that our support must be and will be a multi-year effort. Moreover, we do not plan to support reconstruction alone and we will seek to ensure that other international donors continue to do their fair share. That said, to meet our own commitment to assist Afghanistan in its reconstruction efforts, we will need a supplemental appropriation this year.

In that regard, Mr. Chairman, we are examining our overall international affairs requirements, including our operating accounts. We are working closely with OMB. We believe that there are valid FY 2002 needs that cannot wait until FY 2003. The Administration will bring the specific details of this supplemental request to the Congress in the near future. We have not quite finished our review at this point, but it should not take much longer.

#### Andean Counterdrug Initiative

We are requesting \$731 million in FY 2003 for the multi-year counter-drug initiative in Colombia and other Andean countries that are the source of the cocaine sold on America's streets. ACI assistance to Andean governments will support drug eradication, interdiction, economic development, and development of government institutions. In addition, the Colombians will be able to stand up a second counterdrug brigade. Assisting efforts to destroy local coca crops and processing labs there increases the effectiveness of U.S. law enforcement here.

In addition to this counterdrug effort, Mr. Chairman, we are requesting \$98 million in FMF to help the Colombian government protect the vital Cano Limon-Covenas oil pipeline from the same foreign terrorist organizations involved in illicit drugs – the FARC and the ELN. Their attacks on the pipeline shut it down 240 days in 2001, costing Colombia revenue, causing serious environmental damage, and depriving us of a source of petroleum. This money will help train and equip the Colombian armed forces to protect the pipeline.

## Global Health and HIV/AIDS

In FY 2003, we are requesting \$1.4 billion for USAID global health programs. Of this amount, we are requesting \$540 million for bilateral HIV/AIDS prevention, care, and treatment activities, and \$100 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. All of this funding will increase the already significant U.S. contribution to combating the AIDS pandemic and make us the single largest bilateral donor to the effort. I should add that the overall U.S. Government request for international HIV/AIDS programs exceeds one billion dollars, including \$200 million for the Global Fund.

## The Peace Corps

All of you heard the President's remarks in his State of the Union address with respect to the USA Freedom Corps and his objective to renew the promise of the Peace Corps and to double the number of volunteers in the Corps in the next five years. Since that call to service by the President, the Peace Corps has received over 14,000 requests for applications – an increase of 57% over the same time last year. We have put \$320 million for the Peace Corps in the FY 2003 budget request. This is an increase of over \$42 million over our FY 2002 level. This increase will allow us to begin the scaling up that the President has directed. The Peace Corps will open programs in eight countries, including the reestablishment of currently suspended posts, and place over 1,200 additional volunteers worldwide. By the end of FY 2003 the Peace Corps will have more than 8,000 volunteers on the ground.

## MDB Arrears

The FY 2003 request includes an initiative to pay one third of the amount the United States owes the Multilateral Development Banks (MDBs) for our scheduled annual commitments. With U.S. arrears currently now totaling \$533 million, the request would provide \$178 million to pay one third of our total arrears during the fiscal year. The banks lend to and invest in developing economies, promoting economic growth and poverty reduction and providing environmental benefits. We need to support them.

## ***Summing Up***

Mr. Chairman, you have heard from me as CEO of the State Department and as principal foreign policy advisor to the President. I hold both responsibilities dear. Taking care of the great men and women who carry out America's foreign policy is as vital a mission in my view as helping to construct and shape that foreign policy.

As I told this committee last year and as I have already reminded it again this year, the conduct of the nation's foreign policy suffered significantly from a lack of resources over the past decade. I have set both my CEO hat and my foreign policy hat to correct that situation. But I cannot do it without your help and the help of your colleagues in the House and across the capitol in the Senate. I believe we have demonstrated in the past year that we are worth the money. I believe we have demonstrated that we can be wise

stewards of the people's money and put it to good use in the pursuit of America's interests abroad. I also believe that we have demonstrated conclusively that we are essential to that process of pursuing the nation's interests. With your able assistance, we will continue to do so in the months ahead.

Thank you, and I will be pleased to address your questions.